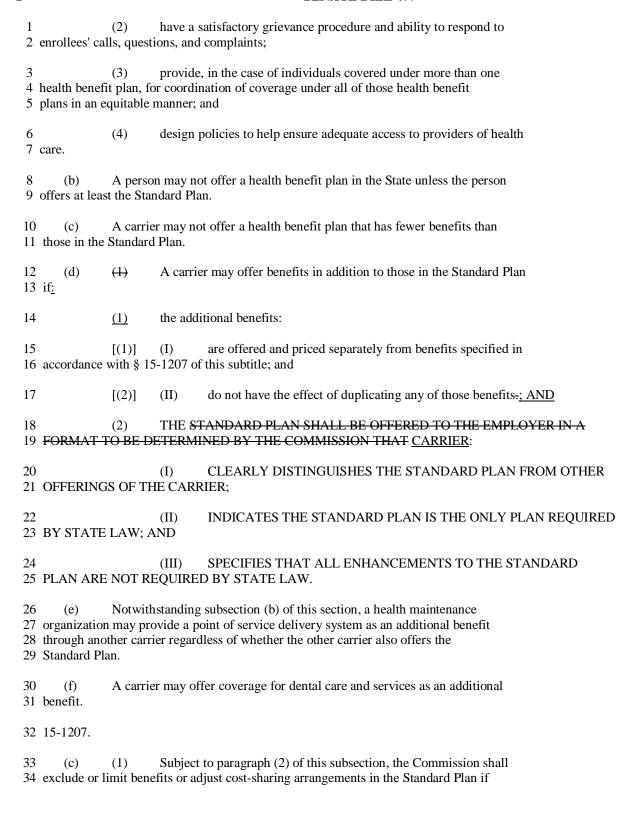
Unofficial Copy C3 2003 Regular Session 3lr1993 CF HB 2

By: Senator Astle Introduced and read first time: January 31, 2003 Assigned to: Finance
Committee Report: Favorable with amendments Senate action: Adopted Read second time: February 21, 2003
CHAPTER
1 AN ACT concerning
2 Small Business Health Insurance Affordability Act
FOR the purpose of specifying the manner in which certain health insurance benefits must be offered to certain employers; lowering the rate cap for certain health insurance benefits; requiring the Maryland Health Care Commission and the Maryland Insurance Administration to study conduct an analysis of and make recommendations on certain aspects of the administrative cost of health plans in the small group market; specifying the intent of the General Assembly; and generally relating to small group market health insurance.
10 BY repealing and reenacting, with amendments, 11 Article - Insurance 12 Section 15-1204 and 15-1207(c) 13 Annotated Code of Maryland 14 (2002 Replacement Volume and 2002 Supplement)
15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 16 MARYLAND, That the Laws of Maryland read as follows:
17 Article - Insurance
18 15-1204.
19 (a) In addition to any other requirement under this article, a carrier shall:
20 (1) have demonstrated the capacity to administer the health benefit 21 plan, including adequate numbers and types of administrative personnel;



- 1 the average rate for the Standard Plan exceeds [12%] 10% of the average annual
- 2 wage in the State.
- 3 (2) The Commission annually shall determine the average rate for the
- 4 Standard Plan by using the average rate submitted by each carrier that offers the
- 5 Standard Plan.
- 6 SECTION 2. AND BE IT FURTHER ENACTED, That:
- 7 (a) On or before January 1, 2004, the Maryland Health Care Commission, in
- 8 consultation with the Maryland Insurance Administration, shall conduct an analysis
- 9 of <u>and make recommendations on</u> the administrative cost of health plans in the small
- 10 group market, including:
- 11 (1) the total amount and distribution of administrative costs;
- 12 (2) the strategies for lowering administrative costs; and
- 13 (3) the appropriateness of the medical loss ratios specified in § 14 15 605(c)(7) of the Health—General § 15-605(c)(1) of the Insurance Article.
- 15 (b) It is the intent of the General Assembly that licensed entities and
- 16 individuals including health insurers, nonprofit health service plans, health
- 17 maintenance organizations, agents, and brokers and insurance producers cooperate
- 18 with the Commission in the execution of the study by providing data in a timely and
- 19 complete manner.
- 20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
- 21 effect July 1, 2003.